

Request for City Council for the City of Ingleside, Texas

Subject: Renewal of TML-IEBP contract and funding authorization for same. (Plan Year June 1, 2015 to May 31, 2016)

Submitted By: Kimberly Sampson, City Secretary/HR Director

For The Agenda Of: February 24, 2015

Summary Statement: The FY 2014 – 2015 approved budget included 722, 559.30 for employer provided health insurance and related benefits.

Because of the timing difference between the fiscal year and the plan year, an estimated increase of 10% was used as a projected increase in rates which would be effective June 1, 2015.

The actual Rerate Notice recently received for the existing plan reflects the rates as follows:

	Rate	Current	New
Medical	Employee	\$410.88	\$456.08
	Spouse	\$610.30	\$677.44
	Child(ren)	\$305.44	\$339.04
	Family	\$784.92	\$871.26
Dental	Employee	\$30.14	\$32.26
	Spouse	\$31.74	\$33.96
	Child(ren)	\$34.92	\$37.36
	Family	\$62.40	\$66.78

The annualized increased cost of the new rates is approximately \$64,909.34 (an approximate 9% increase). Over the past five years we have seen medical rate increases as follows: 15% in 2011, 5% in 2012, 2% in 2013, 3% in 2014, and now 11% in 2015.

(It is the City's policy to pay 100% of employee cost with a 75/25 city/employee ratio for dependent coverage)

Recommended Action: *Authorize the renewal of existing TML-IEBP Medical Benefit Plan for the year June 1, 2015 to May 31, 2016.*
